NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 18th day of UL	<u>qust</u>	2009, by and between
Ward Maldonada and wife Maria	Maldonado	·
whose addresss is 3124 Ch. Kircss Fort Worth Te and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1070 Dalla hereinabove named as Lessee, but all other provisions (including the completion of I. In consideration of a cash bonus in hand paid and the covenants here described land, hereinafter called leased premises:	blank spaces) were prepared jointly by Lesso	rand Lessee.
ACRES OF LAND, MORE OR LESS, BEING LOT(S) OUT OF THE TITLE QUITES FOR IN COLUMN 388-J., PAGE 101	ADDITION	, BLOCK 3 N, AN ADDITION TO THE CITY OF HAT CERTAIN PLAT RECORDED RRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing . 11.2 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.		
<ol><li>This lease, which is a "pald-up" lease requiring no rentals, shall be in force as long thereafter as oil or gas or other substances covered hereby are produced in otherwise maintained in effect pursuant to the provisions hereof.</li></ol>	for a primary term of FINE (paying quantities from the leased premises of	5 )years from the date hereof, and for or from lands pooled therewith or this lease is
3. Royalties on oil, gas and other substances produced and saved hereundal separated at Lessee's separator facilities, the royalty shall be \( \frac{\text{Line}}{\text{Line}} \) \( \fr	illities, provided that Lessee shall have the coprice then prevailing in the same field, then fing casing head gas) and all other substressee from the sale thereof, less a proportion coessing or otherwise marketing such gas or nitet price paid for production of similar quality prevailing price) pursuant to comparable pursuander; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and (c) if at the end of the primary tender; and the covered by this lease, such payment to it after on or before each anniversary of the end this lease is otherwise being maintained by another involved all render Lessee liable for the amount due, but the end all render Lessee liable for the amount due, but the endership of sald land. All payments or tenders a US Mails in a stamped envelope addressed injudiate or be succeeded by another institution in corporation of a paying quantities quantities) permanently ceases from any cultority, then in the event this lease is not sting well or for drilling an additional well or for perations on such dry hole or within 90 day being maintained in force but Lessee is the shall remain in force so long as any one of in the production of oil or gas or other substitutional paying quantities on the leased premises of er lands not pooled therewith. There shall be evital and not pooled therewith. There shall be evital and provided therewith.	uction, to be delivered at Lessee's option to initiuling right to purchase such production at onliniuling right to purchase such production at ances covered hereby, the royalty shall be nate part of ad valorem taxes and production, other substances, provided that Lessee shall y in the same field (or if there is no such price chase contracts entered into on the same or mor any time thereafter one or more wells on paying quantities or such wells are waiting on well or wells shall nevertheless be deemed to elis are shut-in or production there from is not be made to Lessor or to Lessor's credit in the did of said 90-day period while the well or wells operations, or if production is being sold by of the 90-day period next following cessation ut shall not operate to terminate this lease. Address above or its successors, which shall is may be made in currency, or by check or by to the depository agent to refive payments. In any reason fall or refuse to accept in as depository agent to revive payments. In the first called "dry hote") on the leased ause, including a revision of unit boundaries otherwise obtaining or restoring production by after such cessation of all production. If at n engaged in drilling, reworking or any other more of such operations are prosecuted with tances covered hereby, as long thereafter as of producing in paying quantities hereunder, drill under the aame or similar circumstances.
6. Lessee shall have the right but not the obligation to pool all or any part of depths or zones, and as to any or all substances covered by this lease, either be proper to do so in order to prudently develop or operate the leased premises, whether unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance completion to conform to any well spacing or density pattern that may be prescribed of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 confect or more per barrel, based on 24-hour production test conducted under not equipment; and the term "horizontal completion" means an oil well in which the incomponent thereof. In exercising its pooling rights hereunder, Lessee shall file of Production, drilling or reworking operations anywhere on a unit which includes at reworking operations on the leased premises, except that the production on which net acreage covered by this lease and included in the unit bears to the total gross Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling right unit formed hereunder by expansion or contraction or both, either before or after prescribed or permitted by the governmental authority having jurisdiction, or to complete accordingly. In the absence of production in paying quantities from a una written declaration describing the unit and stating the date of termination. Pooling 7. If Lessor owns less than the full mineral estate in all or any part of the lease of the leased premises or lands pooled therewith shall be reduced to the proportion such part of the leased premises.	refore or after the commencement or producing her or not similar pooling authority exists with all not exceed 80 acres plus a maximum acre se of 10%; provided that a larger unit may be dor permitted by any governmental authority ribed by applicable law or the appropriate gubic feet per barrel and "gas wail" means a wimal producing conditions using standard le horizontal component of the gross compleionizontal component of the gross completion in order to capture acreage in the unit, but only to the extent is hereunder, and Lessee shall have the recommencement of production, in order to capture to any productive acreage determination the revised unit and stating the effective date the proportion of unit production on which rounts, or upon permanent cessation thereof, Le hereunder shall not constitute a cross-convertion of unit production and studing the proposition of units and studing the stream of the proportion of units production and studing the proportion of units of the proportion of units production and studing the proportion of units of the production and studing the proportion of units of the proportion of units of the production of units of the proportion of units of the production of units of the	on, whenever Lessee user is it necessary or respect to such other lands or Interests. The age tolerance of 10%, and for a gas well or a formed for an oil well or gas well or horizontal having jurisdiction to do so. For the purpose wermmental authority, or, if no definition is so ell with an initial gas-oil ratio of 100,000 cubic ase separator facilities or equivalent testing interval in facilities or equivalent testing interval in the reservoir exceeds the vertical unit and stating the effective date of pooling, be treated as if it were production, drilling or opportion of the total unit production which the such proportion of unit production is sold by uring right but not the obligation to revise any onform to the well spacing or density pattern on made by such governmental authority. In the of revision. To the extent any portion of the yalties are payable hereunder shall thereafter see may terminate the unit by filling of record years of interests.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in order or decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and fallure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lesse or any depths or zones there under and shall thereumon he relieved of all obligations thereafter arising with respect to the Interest so released.

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided Interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

In accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untitized herewith, in a primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canais, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requirements are harmoned to be partially the leased less than 200 feet from any transport plants are harmoned the leased premises or lands pooled therewith. other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor is writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by Inability to obtain necessary permits, equipment, services, materials restrictly, first accordance or the production of the restriction real strike or labor disputes or by Inability to

water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's

obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lesse shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease, when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is witting to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after seid judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are altuated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lesses is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

18. Notwithstanding anything contained to the contrary in this lesse, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

ay be executed in counterparts, each of which is deemed an original and all of which only constitute one original. 17. This lease may be executed in counterparts, each or which is deemed an original and all or which play consume one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which is seen has or may pendiste with any other leasors for any pendistent and the pending of which is a pending any pending and the pending of which is a pending any pending any pending and the pending of which is a pending any which Lessee has or may negotiate with any other lessors/oll and gas owners.

re, but upon execution shall be binding on the signatory and the signa been executed by all parties hereinabove named as Lessor.		
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: Maria Maldonado		
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Notary's name (printed): 's commission expires:



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

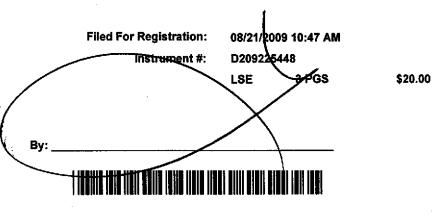
**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

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